

**MINUTES OF LAYTON CITY
COUNCIL WORK MEETING**

JANUARY 21, 2016; 5:34 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**MAYOR BOB STEVENSON, JOYCE BROWN,
BRUCE DAVIS, TOM DAY, SCOTT FREITAG
AND JOY PETRO**

STAFF PRESENT:

**ALEX JENSEN, GARY CRANE, BILL WRIGHT,
KENT ANDERSEN, DAVID PRICE AND THIEDA
WELLMAN**

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Stevenson opened the meeting and welcomed everyone.

AGENDA:

PRESENTATION – STUDENTS AGAINST ELECTRONIC VAPING (SAEV)

Mayor Stevenson turned the time over to students from Layton High and Davis High to make their presentation.

Carson Robb, Junior Class President from Davis High School, said their organization was Students Against Electronic Vaping (SAEV). Mr. Robb indicated that this was a student lead coalition. He said they were talking to all high schools and cities in Davis County, and several across the State, in an effort to carry forward a bill this legislative session to label electronic cigarettes as a tobacco product that would be taxed and regulated similar to regular cigarettes.

Mr. Robb said their goal was to limit access of electronic cigarettes to youth; those 19 and under. He indicated that there were over 7,000 different flavors of e-cigarettes; there were cartridge filling sites; and it was aimed at youth. 51% of all calls to poison control were for children 5 and under; there were no protective locks to stop small children from accessing e-cigarettes. Mr. Robb indicated that 22,000 youth were using e-cigarettes in Utah. He said the majority of cases before Youth Court had to do with e-cigarettes.

Mr. Robb said it should be harder for youth to have access to e-cigarettes. He requested that the City adopt a resolution supporting their efforts. Their aim was to make it harder for youth to have access to e-cigarettes.

Mayor Stevenson asked how the bill would make it harder to get.

Mr. Robb said by labeling e-cigarettes as a tobacco product and taxing them similar to cigarettes. Currently e-cigarettes could be purchased online and there were no regulations.

Councilmember Brown asked if it was illegal for someone younger than 19 to use them now.

Mr. Robb said yes. He said marketing was directed toward youth.

Councilmember Petro asked how the majority of the student body felt about this.

Mr. Robb said most kids supported the bill. Everyone knew someone that was using e-cigarettes. He said there was more nicotine in e-cigarettes than it regular cigarettes.

Mayor Stevenson said the resolution would have to be on the next meeting agenda.

Councilmember Brown asked about presenting this at an LPC meeting.

Gary Crane, City Attorney, said he would let Ken Bullock know.

Mr. Robb said they were attending LPC meetings.

Mayor Stevenson suggested that they follow up with Staff and verify that the resolution was on the next meeting agenda so that they could make a presentation to the public.

AMENDMENT TO TITLE 3, ADDING CHAPTER 3.21 – RECREATION, ARTS, MUSEUM, AND PARKS (RAMP) TAX; COMMISSION – ORDINANCE 16-09

Mayor Stevenson said applications had been received for the RAMP Committee. The applications would be sent to the Council for review. Mayor Stevenson said he would like Councilmembers Brown and Petro to be involved in the interview process.

David Price, Parks and Recreation Director, said the only change to the ordinance since the last review was to Section II, paragraph 7, dealing with major grants and Tier I grants, giving the Council the option to ask for a contract or an agreement.

UPDATE – UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY (UTOPIA)

Kurt Sudweeks, UTOPIA CFO, introduced Kim McKinley, Marketing Manager. He provided an update to the Mayor and Council on the status of UTOPIA. Mr. Sudweeks said 2011 started the 5 year plan with the 65 million dollar bonding. He said the objective was to generate enough revenues to cover debt obligation on the new bonding; achieve operational break even; and deploy as much infrastructure as possible. The money was used to deploy assets to achieve the best return on investment. Mr. Sudweeks said they have been able to cover all new debt and had increased coverage. He indicated that Centerville was built out and they had completed the stimulus build out. 6,000 new customers had been added; they currently serviced over 13,000 customers.

Councilmember Brown asked what Centerville's take rate was.

Ms. McKinley said about 30%.

Mr. Sudweeks said revenues were over \$625,000 per month and averaged growth, month over month, was \$14,000. He said they had achieved operational break even prior to December 15th. Mr. Sudweeks said they didn't anticipate any additional assessments to the cities; however, some cities owed back assessments.

Councilmember Freitag asked what the amount in arrears was.

Mr. Sudweeks said about 1.1 million dollars.

Alex Jensen, City Manager, said cities not paying their assessments had no influence on the Board; eventually everyone would have to meet their obligations. He said when the system started to generate excess revenue, the decision on how that revenue would be allocated was based on a vote of the Board. Those that have been paying were the majority of the Board.

Councilmember Day asked how many cities hadn't paid.

Alex said 3 cities had consistently paid; 4 or 5 had consistently not paid. Some of those were starting to

pay with a change of leadership and the success of UTOPIA.

Councilmember Davis asked if there was a legal avenue to pursue those that had not paid.

Alex said the attorney would say no; there was certainly an ethical obligation to pay. All of the cities agreed to the financial commitment, and signed documents, but it wasn't in the form of a legal document that could be enforced.

Mr. Sudweeks said there was only 1 city that didn't pay any assessments. They were hopeful that some of the cities would want to come back to the table.

Councilmember Davis asked if those cities were being built out.

Mr. Sudweeks said no.

Mr. Sudweeks said they were being very careful with expenses; staffing was a little light and there was currently no executive director.

Councilmember Freitag asked who was doing the work of the executive director.

Mr. Sudweeks said Paul Isaac, the Assistant City Manager of West Valley City, was the interim executive director covering most of those duties. He said staff was pretty much handling day to day operations. Mr. Sudweeks said Alex provided a lot of direction as Chairman of the UIA Board. He expressed appreciation for everything Alex did.

Mr. Sudweeks reviewed information about current available funding; as a result of the lawsuit with the federal government, they received 10 million dollars in a settlement in December, 2014. He said they just closed the final tranche of the UIA approved bonding in the amount of 24 million dollars. \$21,000,000 would go toward new construction and they were working to upgrade electronics. Mr. Sudweeks said they recently announced that they would be increasing everyone's speed from 100 MB up and down, to 250, and the prices would not change. Because Layton was one of the last cities to receive build out, they had received newer electronics and would not need to have new equipment to make the higher speed available to customers.

Mr. Sudweeks explained deployment strategies and building in areas with new development when trenches were already open; it was much cheaper to install fiber in trenches that were open. They continued to pursue business connections. Mr. Sudweeks presented information about the percentage of build out in various cities and identified areas of Layton that were being built.

Ms. McKinley reviewed new residential customer growth information and indicated that the new marketing plan helped gain new customers. She reviewed take rate information; they were hopeful that the take rate would be 30% in three years. Ms. McKinley said they were targeting new available residential addresses.

Councilmember Petro asked about disconnects and who paid the connection debt.

Ms. McKinley indicated that either the new or existing homeowner had to pay the debt off. She said they were also targeting those customers. Ms. McKinley said they focused on business connections as well. She explained how they were utilizing people that were advocates of the service. Ms. McKinley displayed some of their marketing ads.

Councilmember Petro asked why some areas that had equipment in place couldn't connect.

Ms. McKinley said that was a difficult issue. Sometimes it might be a backbone fiber that was running in front of someone's house that was not an access level fiber. She said there wasn't always an easy answer.

Councilmember Petro asked if there were a number of people that wanted to connect in a given area, would they make it available.

Mr. Sudweeks said when fiber was installed with the stimulus money, restrictions were placed on the type of fiber that could be installed. They would only allow fiber to accommodate service to the government anchor location, which wasn't sufficient to accommodate a neighborhood. He said with the stimulus money they did install multiple conduits; the streets wouldn't need to be dug up again when they got to that point.

Alex said the biggest challenge was meeting the demand; everyone wanted UTOPIA. He said the cities had to continue to fund construction, but they didn't have enough money to fund build out. Until the capitalization issue was solved, they would continue to have these types of issues. Alex said the demand was growing every day.

Ms. McKinley said they received 300 inquiries a day; they wished they could hit all demands.

UPDATE ON ECONOMIC DEVELOPMENT EFFORTS

Kent Andersen, Deputy Director of Community and Economic Development, gave the Mayor and Council updates on several projects.

Councilmember Freitag said South Salt Lake announced WinCo.

Kent mentioned business workshops the City was doing to assist small businesses. He said the train station facility, Café Sabor, should be up and running by the end of February.

Bill Wright, Community and Economic Development Director, said the City's financial contribution to the train station project was \$280,000; UDOT constructed the parking lot and contributed about \$500,000 and the contractor contributed about \$500,000.

Bill said WinCo was announced in 2009. He said they hoped that payment of the building permit would be made by March and that the store would open in November.

Councilmember Freitag suggested that if that didn't happen, they take down the signs.

Mayor Stevenson said negotiations between both parties were positive. He felt that they were close to reaching an agreement.

Bill said the City was not the obstacle.

Kent indicated that Kihomac was under construction; they anticipated completion in the summer. They would employ 130 people. He said UTOPIA helped in drawing Kihomac to the City.

Alex said this was a company that was housed in 3 different areas; they consolidated their facilities to this area because of the great work of the Economic Development Staff.

Bill said Kihomac was a great company that was well connected.

Kent said the IHC Hospital should break ground in March or April.

Bill displayed a site plan for the hospital and explained aspects of the site. He said the secondary access onto Flint Street would be mostly for delivery.

Councilmember Brown asked about the cul-de-sac to the east.

Bill said they were required to do the cul-de-sac, but it would not be a connection into the neighborhood to the south east.

Bill said the hospital would include 36 beds with the possibility of expanding to 88 beds. Primary Children's Hospital would be a part of this facility for follow-up treatment. He said the hospital would open in the summer of 2018; the medical offices would open in the summer of 2017. Bill said this would create 350 new jobs not including the doctors.

Bill displayed conceptual drawings of the building.

Kent mentioned a few other projects coming to the City, including the Sea Quest Interactive Aquarium in the Mall; this would be a great attraction and was scheduled to open in August.

The Work Meeting suspended at 6:58 p.m. for the Regular Meeting.

The Work Meeting reconvened at 7:48 p.m.

Kent said all of the different projects mentioned earlier would create 1,300 new jobs.

Council and Staff discussed a possible fire station on Layton Parkway across from the hospital property.

Alex said if that happened, the fire station on Fort Lane would be closed. This location would provide better coverage for the City.

CLOSED DOOR:

MOTION: Councilmember Davis moved to close the meeting at 7:53 p.m. to discuss the acquisition of real property. Councilmember Petro seconded the motion, which passed unanimously.

MOTION: Councilmember Day moved to open the meeting at 8:54 p.m. Councilmember Petro seconded the motion, which passed unanimously.

The meeting adjourned at 8:54 p.m.

Thieda Wellman, City Recorder

SWORN STATEMENT

The undersigned hereby swears and affirms, pursuant to Section 52-4-205(1) of the Utah Code Annotated, that the sole purpose for the closed meeting of the Layton City Council on the **21st day of January, 2016**, was to discuss the acquisition of real property.

Dated this 18th day of February, 2016.

ATTEST:

ROBERT J STEVENSON, Mayor

THIEDA WELLMAN, City Recorder